GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Servants– Allegations on misappropriation in utilization and disbursement of funds against Sri P. Prabhakar Reddy, former MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired) – Departmental Proceedings under Rule 20 of AP Civil Services (Classification, Control and Appeal) Rules, 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980 - Article of Charges – Issued.

PANCHAYAT RAJ AND RURAL DEVELOPMENT (VIG.V) DEPARTMENT

G.O.RT.No. 677 **Dated: 28-11-2024**

Read the following :

1.From the Director, PR&RD, AP Letter No.2472728/CPR&RD/A4/ 2024, dated 30/07/2024 along with charge memo of the CPR&RD, AP NO. 2472728/CPR&RD/C- 1/2024, dt:26/06/2024.
2. GO.Ms.No. **69** PR&RD (Vig,V) Dept., dt:28.11.2024.

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O R D E R:-

It is proposed to hold an inquiry against Sri P. Prabhakar Reddy, former MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired) on certain irregularities viz., misappropriation, diversion of funds and embezzlement of ZPP funds, in accordance with the procedure laid down in Rule 20 of the Andhra Parishad Civil Services (Classifcation and Control & Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed statement of Article of Charges (Annexure- I). A statement of imputations of misconduct or misbehavior in support of each article of charge is enclosed (Annexure-II). A list of documents by which, and a list of witnesses by whom, the articles of charge are proposed to be sustained are also enclosed (Annexure-III and IV).

3. Sri P. Prabhakar Reddy, former MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired) is directed to submit his written statement of defense within 10 days of receipt of this order.

4. Sri P. Prabhakar Reddy, fomer MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired) is informed that, an inquiry will be held only in respect of those article of charges as are not admitted. He should therefore, specifically admit or deny each article of charge.

5. Sri P. Prabhakar Reddy, former MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired) is further informed that, if he does not submit his written statement of defense on or before the date specified in para-3 above, further action will be taken based on the material available.

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6. The attention of Sri P. Prabhakar Reddy, former MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired) is also invited to Rule 24 of the AP Civil Services (Conduct) Rules, 1964 under which, no Government servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interest in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from other person in respect of any matter dealt with these proceedings, it will be presumed that Sri P. Prabhakar Reddy, former MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired) is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of Rule 24 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964.

7. The receipt of the G.O. may be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHASHI BHUSHAN KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

To
Sri P. Prabhakar Reddy, former MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired) through the Director, PR&RD, AP.

Copy to:
The Chief Executive Officer, ZPP, Chittoor - He is requested to serve the same to the individual and submit served copy to Government within a fortnight).
The District Collector, Chittoor.
The Director, Panchayat Raj &Rural Development, AP, Tadepalli, Guntur District.
The Secretary to APVC, Secretariat Buildings, Valagapudi.
Sf/Sc(2045814).

//FORWARDED BY ORDER//

SECTION OFFICER

Annexure-I

Statement of Article of Charges framed against Sri P. Prabhakar Reddy, former MPDO, Baireddypalle, Chittoor District & the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor (Retired)

Article of Charge1:

That Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, MPP, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), ZPP, Chittoor District (Retired) has issued nearly 10 sanction orders to a tune of Rs 14,19,501.00 on 04.10.2023 from the Z.P.P. General Funds without any note files, credential invoices, resolutions and valid sanction orders numbering 05 for Rs.5,00,315.00 on 05.10.2023 totaling to Rs.19,19,816.00 to a single beneficiary i.e., S. Amarnath, SB A/c No. 31862200003152, IFSC Code - CNRB0005702, Canara Bank, V. Kota from ZPP General Funds, Chittoor for the purpose of ZP Chairman Camp Office maintenance in Patrapallikothuru, V. Kota Mandal, Chittoor District. This is a clear case of bogus payments, diversion of funds, misappropriation and embezzlement of ZPP funds. Thus, it clearly shows his violation of financial rules, misconduct and gross negligence in his duty and there by violated Rule 3 of Andhra Pradesh Civil Services (Conduct) Rules 1964.

Article of Charge 2:

That Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District (Retired) while hiring of vehicle No.AP39V 6602 at ZPP, Chittoor has not obtained vehicle condemnation condition status from RTO, Chittoor on ZPP owned vehicles AP03P2549, AP03AN4569 and AP03AH6666. He has not issued any sanctioned order for hire vehicle and he has issued only payment sanction orders. Thus, he has burdened ZPP, Chittoor with an expenditure of Rs.17,55,000.00 from 01.12.2020 to 28.02.2024 for Hire Vehicle at ZPP, Chittoor for his own comforts and utilized ZPP Drivers for vehicle AP39V6602 which is against Contract executed. The entire process was made without obtaining permission of Commissioner of PR& RD, and without concurrence of Finance Department. Thus, it clearly shows his misconduct and gross negligence in his duty and there by violated Rule 3 of Andhra Pradesh Civil Services (Conduct) Rules 1964.

Article of Charge 3:

Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District (Retired), has sanctioned works abnormally under 15th Finance Commission Grants to Punganur, Palamaner Constituencies. It is observed that, 20% and 23% of works 26.21% and 23% of amount were allocated only to Punganur and Palamaner out of 1124 works and Rs.78,13,43,631.00 sanctioned from 01.04.2019 to 20.02.2024. He has also failed to discharge proper and reasonable allocations to 13 Assembly Constituencies in erstwhile Chittoor District, undermining 15th Finance Commission Guidelines issued by the Government. Thus, it clearly shows his misconduct and gross negligence in his duty and thereby he violated Rule 3 of Andhra Pradesh Civil Services (Conduct) Rules 1964.

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Article of Charge 4:

That, Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District (Retired) has abused his Official position by installing CC TVs and failed to inform the ZPP staff, which is required by law, focusing on staff only and their workspace. Improper use of footage by Sri N. Surendra Reddy, CC to Chairman & CEO, to harass the ZPP Staff was complained about by the ZPP staff, who also complained that they were also kept under unauthorized surveillance near bathroom/toilets. Hence, surveillance is invading the right to privacy of ZPP staff, which is superfluous under the Constitution of India. His actions are considered malfeasance. Thus, he exhibited gross negligence in his Official duty and also misconduct by abusing his Official Position and unbecoming a Public servant, exhibited negligence in his duty, and thereby violated Rule 3 of Andhra Pradesh Civil Services (Conduct) Rules 1964.

Article of Charge 5:

That Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor district (Retired), has issued sanction orders nearly 16 to the tune of Rs.35,61,786/- and payments were made towards refreshment charges for conducting ZP General Body Meetings through contingent bills under ZP General Funds without any resolutions from Zilla Praja Parishad, Chittoor. As per GO MS No.18, PR&RD MDL-II Department, Dated:24.03.2017 of the Principal Secretary to Government, on General fund receipt to incur 15% expenditure as per Government norms. Accordingly, the budget provision was not made and expenditure has not been maintained, which lead to a violation of expenditure as per Government norms. Thus, it clearly shows his misconduct and gross negligence in his duty and thereby violated Rule 3 of Andhra Pradesh Civil Services (Conduct) Rules 1964.

Article of Charge 6:

That, Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District (Retired), has issued orders for the execution of repairs to the ZP Quarter by dividing the single work in to 3 parts with an estimated cost of Rs. 5 lakhs each, totaling to Rs.15.00 Lakhs, which is against to the rules. The works “Special repairs to ZP Quarter-1, Chittoor Part- 1, 2 and 3” were sanctioned under 15th Finance Commission Grant and incurred a part payment of Rs 3,51,612.00 without any execution of work and no progress reported at the premises till 14.06.2024. His action were considered malfeasance. Thus, he failed in discharging his legitimate duties by granting part-payment authorization and thereby violated Rule 3 of the Andhra Pradesh Civil Services (Conduct) Rules 1964.

Article of Charge 7:

That, Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then

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Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District (Retired), has sanctioned improvements to public waiting hall for Spandana near Joint Collector's camp office at Chittoor at an estimate of Rs 3.35 lakh under 15th Finance commission Grants, which is complete violation of 15th Finance Commission Guidelines. He diverted Rs.3.35 lakh from the 15th Finance Grant. Diversion and misappropriation of funds involved redirecting the grant from its intended purpose to an alternative use. Thus, it clearly shows his misconduct and gross negligence in his duty, and thereby he violated Rule 3 of the Andhra Pradesh Civil Services (Conduct) Rules 1964.

Article of Charge 8:

That, Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District (Retired), has not sanctioned any annual grade increments under FR rules from 06.08.2020 to 20.02.2024 without assigning reasons to the staff, i.e., Administrative Officers - 05, Senior Assistant -14, Junior Assistant -18, Typist - 02, Record Assistant -03, Office Subordinate -12, and also not updated the Service Register Entries of ZPP Staff, Chittoor. He has also delayed the Pay Fixations for the staff, i.e., Administrative Officers - 3, Senior Assistants - 3, Junior Assistants- 21, Typists- 17, and Record Assistants-15, without valid reasons. Further, he has not sent the Service Registers and has not issued Last Pay Certificates to some of the transferred employees w.e.f. July 2022. He intentionally kept pending service benefits like pay fixation, service regularization, and leave sanction for the staff working under the administrative control of ZPP, Chittoor, in all cadre. This has resulted in financial distress for those employees. Thus, he has failed in performing his legitimate duties, and it clearly shows his misconduct and gross negligence in his duty, thereby violating Rule 3 of the Andhra Pradesh Civil Services (Conduct) Rules 1964.

Article of Charge 9:

That, Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District (Retired), suspended three Administrative Officers, i.e., S. Ghouse Basha, D. Ramesh Babu, and A. Chandrasekhar Reddy, 01 Senior Assistant - B.V. Madhusudhan and 04 Junior assistants (B. Kumar, Pavan Kumar, T Chandra Babu and A. Satish Kumar), without following the disciplinary procedures. He has also not drawn and disbursed Subsistence Allowance to them during their Suspension period. In spite of specific orders from the Hon'ble AP High Court, posting orders were issued after much delay. His actions are considered a misfeasance to cripple the employees financially. He has failed to issue posting orders in time for MPDOs - K. Balaganesh and K. Sreenivasan. Thus, it clearly shows his misconduct and gross negligence in his duty and thereby he violated Rule 3 of Andhra Pradesh Civil Services (Conduct) Rules 1964.

SHASHI BHUSHAN KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

SECTION OFFICER

Annexure-II

STATEMENT OF IMPUTATIONS OF MISCONDUCT OR MISBEHAVIOUR IN SUPPORT OF ARTICLE OF CHARGE FRAMED AGAINST Sri P. Prabhakara Reddy, the then Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District (Retired).

The Director, PR&RD AP in his letter dated:30.07.2024 has informed that;

Sri Gurajala Jagan Mohan, MLA, Chittoor, Sri B.N.Rajasimhulu @ Dorababu, Ex-MLC Chittoor District, and Smt S. Geervani Chandra Prakash, Ex ZPP Chairperson, Chittoor District, have put in a representation by leveling certain allegations against Sri P. Prabhakara Reddy, former Mandal Parishad Development Officer, Mandal Praja Parishad, Baireddypalle of Chittoor District, and the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor District, during his tenure of a combination of appointments as Accounts Officer, Deputy Chief Executive Officer, and Chief Executive Officer at Zilla Praja Parishad, Chittoor District.

Upon its verification of the connected files, it was observed that the individual violated the Fundamental Rights guaranteed by the Constitution of India in relation to Zilla Praja Parishad staff covering their workspace and inserting TV cameras at toilets, thereby breaching the Right to Privacy of individuals, which is a disgrace to Human Rights. Financial authorizations were issued without obtaining condemnation of ZPP-owned vehicles from RTO, Chittoor, hired vehicles without valid sanction, issued payment sanctions, and thereby burdened Zilla Praja Parishad, Chittoor with expenditure of Rs. 17,55,000.00 from 01.12.2020 to 28.02.2024 for Hire Vehicle at Zilla Praja Parishad, Chittoor for his own comforts and also utilized ZPP Drivers for vehicle AP39V6602, which is against contract executed as per Government rules.

Further, it is noticed that, out of all the constituencies in the erstwhile Chittoor District, 20% and 23% of the ZPP 15 FC works, 26.21% and 23% of the ZPP 15 FC funds were allocated only to Punganur and Palamaner, out of 1124 works and Rs.78,13,43,631.00 spent from 01.04.2019 to 21.06.2024 against the 15th Finance Commission Guidelines issued by the Government. He also issued multiple financial authorizations without valid invoices and resolutions of the ZPP General Body. Bogus payments of Rs 14,19,501.00 on 04.10.2023, and Rs.5,00,315.00 on 05.10.2023, to a single beneficiary, Sri S. Amarnath, who was not at all registered as a Vendor in ZPP, Chittoor, through NEFT, to the Savings Bank A/c No.31862200003152, IFSC Code - CNRB0005702, Canara Bank, V.Kota, by issuing cheques, suspiciously, appear to be fraudulent claims and embezzlement of ZPP, Chittoor Funds.

It is also observed that the delinquent officer has issued orders for the execution of repairs to the ZP Quarter by dividing the single work in to 3 parts, with an estimated cost of Rs. 5 lakhs each, totaling to Rs 15.00 Lakhs, which is against the rules. The 3 works, were sanctioned in the name of “Special repairs to ZPP Quarter, Chittoor-1, 2, and 3” under the 15th Finance Grant at Rs 5.00 lakh each, totaling Rs 15.00 lakh. And he has made a part payment of Rs 3,51,612.00 without any execution of work or progress. It clearly shows that he

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has misused the authority in sanctioning public waiting hall for Spandana near Joint Collector's camp office at Chittoor to the tune of estimation of Rs 3.35 lakh under 15th Finance Grants diverted funds against 15th Finance Commission Guidelines. He suffered the staff by not issuing sanction orders related to Annual Grade Increments to Zillah Praja Parishad staff and by not updating the Service Registers. Moreover, he harassed the staff by not issuing the Last Pay Certificate and Service Registers for a long time, which caused the financial distress of staff, who were transferred from Zilla Praja Parishad Chittoor. In the same manner, he is accused for his act of ignorance in sanctioning orders relating to AAS pay fixations for the staff under establishment of ZPP, erstwhile Chittoor District. He is also accused of issuing indiscriminate suspension orders from 05.08.2020 to 21.02.2024, which were issued without following the principles of natural justice, resulting in various lawsuits. It is also alleged that, he shows willful negligence in issuing posting orders in respect of suspended officials, even after the outcome of the verdict of the Hon'ble AP High Court.

Further, there is an allegation that he has diverted huge amounts of Government funds from PD Accounts to Bank Saving Accounts by violating financial rules. The interest generated from the SB Accounts was not accounted for, and recoupment was made from 2018-2023, and a deep inquiry will reveal all the financial misclassification and embezzlement of public money. An inquiry was initiated in this regard as per the instructions of the Collector & District Magistrate, Chittoor, by following the instructions of the AP Lokayukta.

It is noteworthy to submit that 12th , 13th & 14th Finance Commission Grants and Backward Regions Grant Fund (BRGF) allocations that were done by him are also currently under investigation by Hon'ble AP Lokayukta for alleged diversion of PD Accounts to SB Accounts. It is alleged that, in the circumstances leading to the complete withdrawal of funds from PD Accounts to park the amounts into multiple SB Accounts, the interest earned in multiple SB Accounts was not accounted for and diverted more than Rs.10 crores of public funds for personal and political use.

It is noteworthy to submit that this is just the tip of an iceberg of diversion / manipulation/ embezzlement Unaccounted utilization of Interest accrual derived from Consolidated Fund of India and Andhra Pradesh, has led to ineligible, unspecified and unauthorized activities by the then Chief Executive Officer (FAC), Zilla Praja Parishad, Chittoor. One such SB Account out of many SB Accounts, operated in Axis Bank, Chittoor, bearing SB A/C No 916010084720057 for a brief period shall be an eye-opener and its transactions vide proceedings arising from E5/1646/2015, E5/1100/2018 from CEO, ZPP, Chittoor over years. As it is under process of enquiry, action will be taken on the basis of report of the Enquiry Officer in this regard, if necessary.

Thus, it is evident that Sri P. Prabhakar Reddy, the then Chief Executive Officer (FAC), Zilla Praja Parishad, Mandal Parishad Development Officer, Chittoor, currently working as Mandal Parishad Development Officer, Baireddipalle (on Leave without prior permission), has committed grave and gross financial irregularities, diversion of funds from one scheme to another,

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and harassment of the staff without sending service registers and LPCs to the transferred employees. He has also not made any pay fixations to the staff working under the Administrative control of ZPP, Chittoor and has exhibited deviation and gross negligence towards discharging his legitimate duties in violation of Rule 3 of AP Civil Services (Conduct) Rules 1964.

Hence the above charges.

SHASHI BHUSHAN KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

SECTION OFFICER

Annexure-III

List of documents by which the Articles of Charges framed against Sri P. Prabhakar Reddy, former Mandal Parishad Development Officer, Baireddypalle, Chittoor District & the then CEO(FAC), Zilla Praja Parishad, Chittoor (Retired on 30.06.2024 on attaining the age of superannuation), are proposed to be sustained.

1. From the Chief Minister Office CMP.NO.7/Secy., (PPS)/2024, dated:28.06.2024 along with letter of Sri Gurajala Jagan Mohan, MLA, Chittoor Assembly Constituency in Letter.No.MLA/172CTR-AC- 50 dated: 25.06.2024 addressed to the Hon'ble Chief Minister, AP.

2. From the Director, PR&RD, AP Letter No.2472728/CPR&RD/A4/2024, dated: 30/07/2024 along with charge memo of the CPR&RD, AP NO. 2472728/CPR&RD/C-1/2024, dt:26/06/2024 and Article of Charges with supporting documents.

SHASHI BHUSHAN KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

SECTION OFFICER

Annexure-IV

List of witnesses by whom the Articles of Charges framed against Sri P. Prabhakar Reddy, Mandal Parishad Development Officer, Baireddypalle, Chittoor District & the then Chief Executive Officer. (FAC), Zilla Praja Parishad, Chittoor (Now retired on 30.06.2024 on attaining the age of superannuation), are proposed to be sustained.

-Nil –

SHASHI BHUSHAN KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

SECTION OFFICER